GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4192
ANSWERED ON:14.12.2001
CASES REGISTERED BY SEBI AGAINST PLANTATIONS COMPANIES
CHANDRA NATH SINGH;DR. KIRIT SOMAIYA;SADASHIVRAO DADOBA MANDLIK

Will the Minister of FINANCE be pleased to state:

(a) whether criminal cases have been filed by the SEBI against 13plantation companies of Mumbai for violation of Group Regulation Scheme Rules, 1999;

(b) if so, the details of allegations against these companies, company-wise;

(c) the amount deposited with these companies by the public;

(d) whether these companies have returned this amount; and

(e) if not, the steps taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL):

(a) and (b) The Securities & Exchange Board of India {SEBI) has intimated that criminal prosecution has been launched against 12 entities of Mumbai running collective investment schemes as they failed to wind up their schemes to repay their investors in accordance with the provisions of the SEBi (Collective Investment Schemes) Regulations, 1999.

(c) The amount mobilised by each of these entities, as per information filed by them with SEBI, is provided in the statement enclosed.

(d) and (e) Since these entities failed to wind up their schemes to repay their investors, SEBI has, inter alia, debarred these entities/their promoters/directors etc. from operating in the capital market for a period of 5 years and referred them to State Governments concerned for initiation of civil/criminal proceedings.